

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**February 16, 2005**

**IN RE:**

**PETITION OF INTEGRATED RESOURCE  
MANAGEMENT UTILITY, INC. TO AMEND  
ITS CERTIFICATE OF CONVENIENCE AND  
NECESSITY**

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**DOCKET NO. 04-00266**

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**ORDER APPROVING PETITION TO AMEND  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

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This matter came before Chairman Pat Miller, Director Deborah Taylor Tate and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a Hearing held on November 8, 2004, to consider the *Petition of Integrated Resource Management Utility, Inc. to Amend its Certificate of Convenience and Necessity* (the "*Petition*") requesting that the Authority expand its service territory to include a portion of Blount County, Tennessee, known as Compass Pointe Subdivision.

**Legal Standard for Granting Certificate of Public Convenience and Necessity**

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining approval of the Tennessee Regulatory Authority. The procedure for obtaining a certificate of convenience and necessity ("CCN") evidencing such approval is set forth in Tenn. Code Ann. § 65-4-201(a) (2004), which states as follows:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any

plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

### **Background**

On November 10, 2003, Integrated Resource Management Utility, Inc. ("IRM" or the "Company") received a CCN in Docket No.03-00467<sup>1</sup> from the Tennessee Regulatory Authority to provide wastewater service to the Valley Road Exxon and Cove Mountain Realty in Sevier County, Tennessee.

At a regularly scheduled Authority Conference on September 13, 2004, the voting panel assigned to this docket voted unanimously to appoint the Authority's General Counsel or his designee to act as the Hearing Officer in this proceeding, to hear preliminary matters prior to the Hearing, and to set a procedural schedule to completion.<sup>2</sup> The Hearing Officer issued a *Notice of Hearing* on September 30, 2004, announcing that the voting panel assigned to this docket would conduct the Hearing on the merits of the *Petition* on Monday, October 11, 2004. The voting panel assigned to this docket then voted unanimously to continue the deliberation of this matter to the regularly scheduled Authority Conference on Monday, November 8, 2004. A *Re-Notice of Hearing* was issued by the Hearing Officer on October 28, 2004. No persons sought intervention prior to or during the Hearing.

### **The Petition**

On August 25, 2004, Integrated Resource Management Utility, Inc. filed a *Petition* to amend its CCN to expand its service area to include a portion of Blount County, Tennessee, known as Compass Pointe Subdivision. A map showing the area to which the Company proposes to extend

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<sup>1</sup> See *In re Application of Integrated Resource Management Utility, Inc. for a Certificate of Public Convenience and Necessity to Provide Wastewater Systems Services*, Docket No. 03-00467, *Order Approving Application for a Certificate of Public Convenience and Necessity, Tariff and Special Contract* (March 16, 2004)

<sup>2</sup> See *Order Appointing A Hearing Officer*, Docket No. 04-00266 (September 23, 2004).

service was attached to its *Petition*. IRM filed a rate schedule with its *Petition* in this docket, which stated that the residential rates for Compass Pointe Subdivision will be as follows:

|                      |                      |
|----------------------|----------------------|
| Total Monthly Charge | \$35.11              |
| Non-Payment Fee      | 5% of Unpaid Balance |
| Disconnection Fee    | \$25                 |
| Reconnection Fee     | \$15                 |
| Returned Check Fee   | \$20                 |
| Access Fee           | \$84/year            |

The monthly rate schedule service is based on a daily design flow expected from the type of establishment being served.

In its *Petition*, IRM contends that neither the City of Friendsville, Tennessee nor Blount County have plans to provide sewer services to the subject area. In support of this contention, the Company submitted a letter dated August 5, 2004, from the City Manager, Mr. Dennis Perkins, to Mr. Scott Williams with IRM Utility, Inc., stating that it does not intend to provide sanitary sewer service to the subject area. The Company also submitted a letter dated August 5, 2004, from the Mayor of Blount County, Ms. Beverley D. Woodruff, stating that Blount County does not have any plans to provide sewer service to the subject area within twelve months from the date of Ms. Woodruff's letter to the IRM. The Company also submitted in its *Petition* a letter from Mr. Mark Ross with Alcoa Utility to the Company stating that it did not intend to provide sanitary sewer service to the subject area.

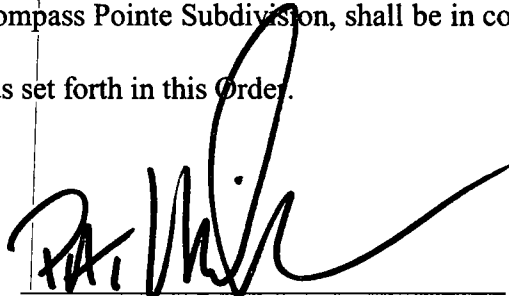
#### **The November 8, 2004 Hearing**

At the Hearing held on November 8, 2004, Mr. Jeffrey Cox, President of IRM, presented testimony and was subject to examination by the panel assigned to this docket. Upon the presentation of IRM's proof in this case, the evidentiary record as a whole, and in light of the legal standard set forth in Tenn. Code Ann. § 65-4-201(a) (2004), the panel voted unanimously to approve IRM's *Petition*.

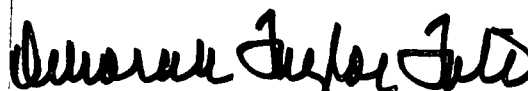
**IT IS THEREFORE ORDERED THAT:**

1. The *Petition of Integrated Resource Management Utility, Inc. to Amend its Certificate of Convenience and Necessity* to expand its service territory to include a portion of Blount County, known as Compass Pointe Subdivision, as shown in the map attached to the *Petition* is approved.

2. Integrated Resource Management Utility, Inc.'s rates for wastewater services to a portion of Blount County, Tennessee, known as Compass Pointe Subdivision, shall be in compliance with the rate schedule attached to its *Petition* and as set forth in this Order.



Pat Miller, Chairman



Deborah Taylor Tate, Director



Sara Kyle, Director